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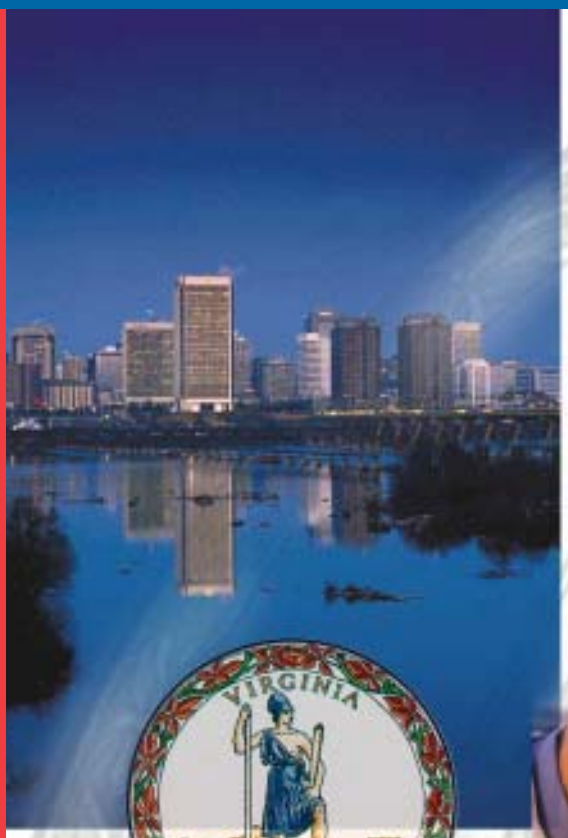


Commonwealth of Virginia Department of Medical Assistance Services

External Quality Review

Medallion II

Annual Report 2005

We don't provide healthcare... we make it better.

Medallion II Annual Report

Medallion II Overview

Managed care was first introduced to Virginia residents enrolled in Medicaid when the Commonwealth was granted a 1915(b) waiver from the Centers for Medicare and Medicaid Services (CMS) in 1991. This initial managed care program, called MEDALLION, was operated as a primary care case management model and was expanded to include the entire state in 1995. In 1996, Medallion II, a full-risk mandatory Medicaid managed care program, was developed to supplement the Commonwealth's previous initiatives to expand the use of managed care for the delivery of health care to Medicaid recipients. The intent of the program is to improve access to care, promote disease prevention, ensure quality care, and reduce Medicaid expenditures. Eligible Medicaid recipients enroll in a participating Managed Care Organization (MCO) of their choice and select a Primary Care Physician (PCP) to oversee their medical care. The MCO is responsible for developing and operating a provider network, negotiating fees with providers, and operating a system that provides utilization and quality oversight of the health services delivered to its enrollees. Of the four Medicaid programs operated through the Commonwealth of Virginia, Medallion II comprises the largest segment of Medicaid enrollees. In fact, enrollment in Medallion II has grown by almost 17% from 2003 to 2004 and has increased nearly 29% since 2002.

During 2004, the following Medallion II MCOs were providing health care services to approximately 360,000 Commonwealth of Virginia Medicaid recipients:

- Anthem Blue Cross/Blue Shield (formerly Trigon and including three MCO product lines),
- CareNet (operated by Southern Health Services Inc.),
- Optima Family Care (operated by Optima Health),
- UNICARE Health Plan of Virginia (operated by Wellpoint), and,
- Virginia Premier Health Plan (operated by Virginia Commonwealth University Health Care System).

Introduction and Purpose

The Virginia Department of Medical Assistance Services (DMAS) is charged with the responsibility of evaluating the quality of care provided to recipients enrolled in contracted Medallion II managed care plans. To ensure that the care provided meets acceptable standards for quality, access, and timeliness, DMAS has

contracted with the Delmarva Foundation for Medical Care, Inc. (Delmarva) to serve as the External Quality Review Organization (EQRO).

Following federal requirements for an annual assessment, as set forth in the Balanced Budget Act of 1997 (BBA) and federal EQRO regulations, Delmarva has conducted a comprehensive review of the Medallion II Managed Care Organizations (MCOs) to assess the plan's performance relative to the quality of care, timeliness of services, and accessibility of services.

For purposes of assessment, Delmarva has adopted the following definitions:

- **Quality,** stated in the federal regulations as it pertains to external quality review, is "the degree to which an MCO or PIHP increases the likelihood of desired health outcomes of its recipients through its structural and operational characteristics and through the provision of health services that are consistent with current professional knowledge" ("Final Rule: External Quality Review," 2003).

- **Access** (or accessibility), as defined by the National Committee for Quality Assurance (NCQA), is the "timeliness in which an organization member can obtain available services. The organization must be able to ensure accessibility of routine and regular care and urgent and after-hours care" ("Standards and Guidelines," 2003).

- **Timeliness**, as it relates to utilization management decisions, is defined by NCQA as when "the organization makes utilization decisions in a timely manner to accommodate the clinical urgency of the situation. The intent is that organizations make utilization decisions in a timely manner to minimize any disruption in the provision of health care" ("Standards and Guidelines," 2003). An additional definition of timeliness given in the National Health Care Quality Report "refers to obtaining needed care and minimizing unnecessary delays in getting that care" ("Envisioning the National Health Care," 2001).

This annual report provides an evaluation of data sources reviewed by Delmarva as the EQRO to assess the progress that Medallion II managed care plans have made in fulfilling the goals of DMAS. This annual report is a mandated activity in the Medallion II contract and the BBA External Quality Review regulations.

Although Delmarva's task is to assess how well the Medallion II MCOs perform in the areas of quality, access, and timeliness from Health Employer Data and Information Set (HEDIS®)[1] performance measures, performance improvement projects, and the operational systems performance review perspective, it is important to note the interdependence of quality, access, and timeliness. Therefore, a measure or attribute

[1] HEDIS® is a registered trademark of the National Committee for Quality Assurance (NCQA).

identified under one of the categories of quality, access, or timeliness also may be noted under either of the two other areas.

Quality, access, and timeliness of care are expectations for all persons enrolled in the Medallion II managed care program. Ascertaining whether health plans have met the intent of the BBA and state requirements is a major goal of this report.

Data Sources

Delmarva has used the following three data sources to evaluate Medallion II MCOs performance:

- HEDIS, which is a nationally recognized set of performance measures developed by NCQA. These measures are used by health care purchasers to assess the quality and timeliness of care and service delivery to members of managed care delivery systems.
- Summaries of plan-conducted Performance Improvement Projects (PIPs).
- Operational systems review to consist of a desk review conducted by Delmarva as the EQRO to reassess deficient elements from the previous year's onsite review for compliance with contract requirements and state regulations. In addition, results from last year's onsite review will be evaluated for a complete assessment of the Medallion II MCOs.

Methodology

Delmarva performed an external independent review of all data from the above-listed sources. The EQRO has assessed quality, access, and timeliness across the three data disciplines. After discussion of this integrated review, Delmarva will provide an assessment to DMAS regarding how well the Medallion II MCOs are providing quality care and services to its members.

Since its introduction in 1993, HEDIS has become the gold standard in managed care performance measurement. Conceived as a way to streamline measurement efforts and promote accountability in managed care, HEDIS measures are now used by approximately 90% of all managed care organizations to evaluate performance in areas ranging from preventive care and consumer experience to care of heart disease and cancer. This set of standardized performance measures is designed to ensure that purchasers and consumers have the information they need to reliably compare the performance of managed health care organizations. The National Committee for Quality Assurance (NCQA) maintains and directs the HEDIS program.

DMAS is tasked with designing and implementing methods to continuously measure the quality of care delivered by the participating five managed care plans. Current quality activities include requirements for plans to submit performance measures. The set of performance measures includes the use of the nationally recognized HEDIS measures.

Health plan HEDIS results are audited by NCQA-licensed organizations. The HEDIS data in this report have been audited by MedStat through Delmarva. The BBA requires that performance measures be validated in a manner consistent with the External Quality Review protocol *Validating Performance Measures*. Each audit was conducted as prescribed by NCQA's *HEDIS 2005, Volume 5: HEDIS Compliance Audit™: Standards, Policies and Procedures* and is consistent with the validation method required by the EQRO protocols. NCQA protocols are used to capture and compute HEDIS results. This report contains data results of common HEDIS measures, each of which is calculated by all Medallion II managed care plans[2].

During the HEDIS 2005 reporting year, Medallion II MCOs collected data from calendar year 2004 related to the following clinical indicators as an assessment of quality, access, and timeliness:

- Childhood Immunization Status
- Adolescent Immunization Status
- Breast Cancer Screening
- Prenatal and Postpartum Care
- HEDIS/CAHPS 3.0H Adult Survey
- Well-Child Visits in the First 15 Months of Life
- Well-Child Visits in the Third, Fourth, Fifth, and Sixth Year of Life
- Adolescent Well-Care Visit

PIPs also are used to assess the health plan's focus on quality, access, and timeliness of care and services. Although the PIPs address clinical issues, barrier analysis often leads to issues of access or timeliness as major contributing factors that affect the attainment of the clinical quality goals. During 2004, each MCO implemented two PIPs, aimed at addressing clinical issues pertinent to the health plan's population. Delmarva reviewed the health plan's PIPs, assessed compliance with DMAS contractual requirements, and validated the activity for interventions as well as evidence of improvement. 2004 was considered a baseline year for submission of the second PIP so therefore evidence of improvement was not assessed.

Table 1 reflects an overall summary of PIPs conducted by the Medallion II MCOs.

[2]The NCQA HEDIS Compliance Audit is a trademark of NCQA.

Table 1. 2004 VA MCO PIP Summary

MCO	Performance Improvement Project
Anthem	• Improving the Use of Appropriate Medications for People with Asthma • HMO Adolescent Immunization Combo 2 Rate Analysis
CareNet	• Increasing the Number of Members with Asthma to Receive Care • Increasing Adolescent Immunization Rates- Medicaid
Optima	• Improving Overall Treatment and Utilization Patterns for the Sentara Health Management Asthma Population • Improving Treatment and Utilization Patterns for the Sentara Health Management Diabetes Population
UNICARE	• Improving Asthma Control • Improving Diabetes Control
Virginia Premier	• Quality Control in Asthma Management • Monitoring and Controlling the Management with the Use of Two or More Atypical Antipsychotics

The Operational Systems Review for each MCO covered activities performed during the time frame of Jan. 1, 2004 through December 31, 2004 and focused on elements which were found to be deficient (elements partially met or not met) in the previous year's onsite review. The purpose is to identify, validate, quantify, and monitor problem areas in the overall quality assurance program. The review incorporated regulations set forth under the final rule of the BBA that became effective on August 13, 2002. The BBA is the comprehensive revision to federal statutes governing all aspects of Medicaid managed care programs as set forth in Section 1932 of the Social Security Act and Title 42 of the *Code of Federal Regulations* (CFR), part 438 *et seq*. In support of these regulations and health plan contractual requirements, Delmarva evaluated and then assessed compliance for the following systems:

- Enrollee Rights and Protections—Subpart C Regulation
- Quality Assessment and Performance Improvement—Subpart D Regulation
  - Access Standards
  - Structure and Operation Standards
  - Measurement and Improvement Standards
- Grievance Systems—Subpart F Regulation

It is expected that each health plan will use the review findings and recommendations for operational systems improvement to become fully compliant with all standards and requirements.

Quality at a Glance

Ensuring quality of care for Medicaid managed care recipients is a key objective of the Medallion II program. Various indicators exist that serve as direct and proximate measures of the quality of care and services provided to Medallion II recipients. Along with access and timeliness, these indicators are essential components of a quality-driven system of care, which is vital for the success of the Medallion II program.

Data obtained from clinical studies performed by Delmarva as well as through other avenues of data support the delivery of quality health care to the Medallion II population. The findings related to quality are reported in the following sections.

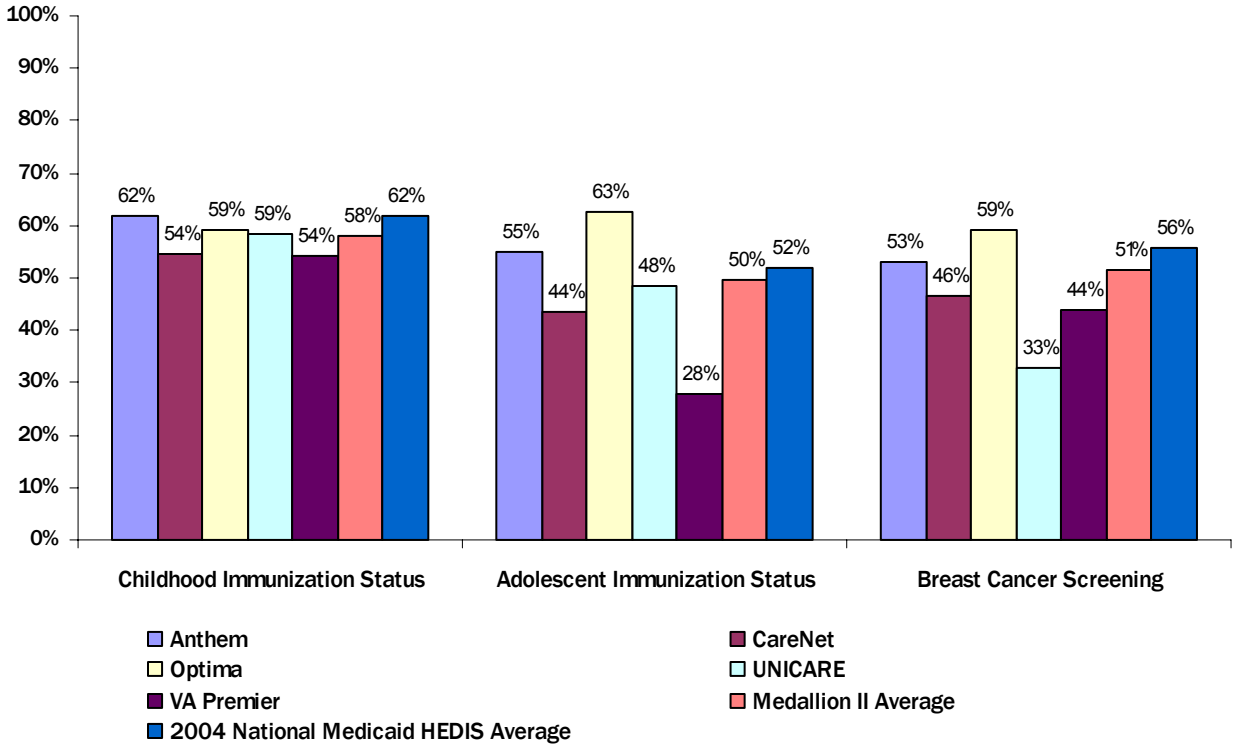
HEDIS

Three HEDIS measures served as proxy measures for clinical quality:

- Childhood Immunizations (Combination 1)[3]
- Adolescent Immunizations (Combination 1)[4]
- Breast Cancer Screening[5]

Figure 1 provides the HEDIS measure results for the Medallion II MCOs pertaining to quality.

Figure 1. 2005 HEDIS Measures for Quality for the Medallion II MCOs



[3] Childhood Immunization Status (Combo. 1) measures the percentage of enrolled children who turned two years old during the measurement year and were continuously enrolled for 12 months immediately preceding their second birthday and who have received various immunizations (DTaP,OPV,MMR,HiB,HepB) as specified by HEDIS on or before their 2nd birthday.

[4] Adolescent Immunization Status (Combo. 1) measures the percentage of enrolled adolescents whose 13th birthday was in the measurement year, who were continuously enrolled for 12 months preceding their 13th birthday, and who received various immunizations (MMR, HepB) as specified by HEDIS on or before their 13th birthday.

[5] Breast Cancer Screening measures the percentage of women age 52 through 69 years, who were continuously enrolled during the measurement year and the year prior to the measurement year, and who had a mammogram during the measurement year or the year prior to the measurement year.

Anthem scored above all other MCOs for the "Childhood Immunization Status" measure at 61.7%. Anthem exceeded the Medallion II average of 58.1% and nearly met the National Medicaid HEDIS average of 61.8%. VA Premier and CareNet scored the lowest in this measure. For the "Adolescent Immunization Status" measure, Optima exceeded all of the MCOs with a rate of 62.7%, which was above the Medallion II average as well as the National Medicaid HEDIS average. Anthem also scored above the Medallion II average in this measure. However, VA Premier at 28.0% scored the lowest rate in this measure. Three MCOs scored below the Medallion II average and the National Medicaid HEDIS average for the "Adolescent Immunization Status" measure. This finding should be addressed and these MCOs should consider developing PIPs and/or collaborative PIPs for future improvements. Optima exceeded all of the MCOs in the "Breast Cancer Screening" measure with a rate of 59.0%, which was above the Medallion II average and the National Medicaid HEDIS average. UNICARE fell below the other MCOs and comparison averages in this measure and rated 32.8%. Three MCOs scored below the Medallion II average and National Medicaid HEDIS average for the "Breast Cancer Screening" measure, which should be addressed accordingly for improvements.

Performance Improvement Projects

In the area of PIPs, the Medallion II MCOs used the quality process of identifying a problem relevant to the health plan population, setting a measurement goal, obtaining a baseline measurement, and performing targeted interventions aimed at improving the performance. After the remeasurement periods, qualitative analyses often identified new barriers that affect success in achieving the targeted goal. Thus, quality improvement is an ever-evolving process focused on improving outcomes and health status.

Each MCO conducted a PIP aimed at asthma, an MCO system-wide issue, (enrollee, provider, and administrative) that presents potential barriers to improved enrollee health outcomes. Each MCO chose study indicators and data collection procedures that were based upon HEDIS specifications.

A focus on asthma by each of the MCOs addresses an important opportunity for improvement in the member population based on review of Medicaid HMO plan-specific and national data. Asthma ranked in the top diagnoses for MCO inpatient admissions, emergency department visits, and outpatient office visits. As well, nationally, asthma is one of the most common and costly chronic disease conditions.

A greater understanding of the quality process, as it relates to PIPs was evidenced by all MCOs. Although each MCO received individual recommendations in the context of the PIP validation reviews, in general, improvements were evidenced in the qualitative and quantitative analyses conducted by the Medallion II MCOs. Each MCO realized improvement in asthma indicators measured. Specifically, Anthem identified an increase from baseline to remeasurement 3 in appropriate asthma medication combined rates for ages 5--56 years, which was found to be statistically significant at the 95% confidence level. As well, CareNet experienced a statistically significant improvement in the influenza vaccination rate from baseline to

remeasurement 5. Improvement from baseline to remeasurement 5 was evident for all three indicators (inpatient hospital, emergency department visits, and appropriate asthma medications) monitored by Optima. UNICARE also evidenced a statistically significant decrease from baseline to remeasurement one for the rate of overuse of reliever medication indicator. Finally, there was evidence of statistically significant improvement for all three indicators (appropriate asthma medications, inpatient hospital admissions, and emergency department visits) from baseline to remeasurement 2 for Virginia Premier.

Table 2 provides a summary of data results for Asthma PIPs conducted by Medallion II MCOs.

Table 2. Asthma PIP Performance Results

PIP Activity	Indicator	Baseline	Remeasurement				
			#1	#2	#3	#4	#5
Anthem		1999	2000	2002	2003	2004	
Improving the Use of Appropriate Medications for People with Asthma	**Quantifiable Measure #1:** Percent of members who had at least one dispensed prescription for inhaled corticosteroids, nedocromil, cromolyn sodium, leukotriene modifiers, or methylxanthines in the measurement year.	62.6%	59.7%	68.3%	68.9%	68.5%	
CareNet		1999	2000	2001	2002	2003	2004
Increasing the Number of Members With Asthma to Receive Care According to the Guidelines	**Quantifiable Measure #1:** Percent of eligible asthma members who had an influenza vaccination in the measurement year.	2.0%	4.0%	3.6%	15.8%	29.4%	31.3%
	Quantifiable Measure #2: Percent of eligible asthma members who had an acute hospital admission in the measurement year.	8.7%	10.7%	9.3%	9.0%	9.1%	11.4%
	Quantifiable Measure #3: Percent of eligible asthma members who had an acute ER visit in the measurement year.	18.6%	37.3%	34.3%	38.0%	39.2%	33.1%
Optima		1999	2000	2001	2002	2003	2004
Improving Overall Treatment and Utilization Patterns for the Sentara Health Management Asthma Population	**Quantifiable Measure #1:** Percent of continuously enrolled Medicaid HMO enrollees with an inpatient admissions for a primary diagnosis of asthma (ICD9 493.0-493.92)	5.5%	5.0%	4.6%	4.0%	4.4%	4.1%
	Quantifiable Measure #2: Percent of continuously enrolled Medicaid HMO enrollees with an emergency department visit for a primary diagnosis of asthma (ICD9 493.0-493.92)	26.2%	21.2%	18.3%	20.2%	22.3%	20.7%
	Quantifiable Measure #3: Percent of continuously enrolled members with asthma in the prior year that received an appropriate prescription in the reporting year. For this measure Asthma is defined as a member who meets one of the following criterion in the prior year: • 4 or more asthma medication dispensing events • 1 or more Emergency Department visits for asthma • 1 or more inpatient admissions for asthma • 4 outpatient visits AND 2 or more asthma Rx dispensing events	58.8%	61.4%	67.8%	69.6%	68.2%	67.7%
Unicare		2004	2005				
Improving Asthma Control	**Quantifiable Measure #1:** Percentage of eligible members who had at least one dispensed prescription for inhaled corticosteroids, nedocromil, cromolyn sodium, leukotriene modifiers, or methylxanthines in the measurement year.	64.2%	60.4%				
	Quantifiable Measure #2: Percentage of eligible members filling 8 or greater reliever medication (short acting beta-agonists) prescriptions during the measurement year.	59.5%	7.4%				
VA Premier		2002	2003	2004			
Quality Control in Asthma Management	**Quantifiable Measure #1:** One or more prescriptions for cromolyn sodium, aerosol corticosteroid and leukotriene modifiers for members with Persistent asthma	62.0%	61.9%	70.6%			
	Quantifiable Measure #2: Rate of Hospital Admissions for members with Persistent Asthma	20.8%	20.2%	6.4%			
	Quantifiable Measure #3: Rate of Emergency Department (ED) Visits for members with Persistent Asthma	66.0%	78.9%	32.4%			

Each MCO was found in compliance with the DMAS contractual requirement for implementation of a second PIP during 2004. 2004 was considered a baseline year for submission of the second PIP and therefore, improvement was not assessed. Specifically, Anthem and CareNet implemented a second PIP related to improving adolescent immunization rate. Optima and UNICARE implemented a second PIP related to improving MCO-specific aspects of treatment in the diabetes population. The study design and methodology for these PIP submissions met requirements. VA Premier implemented a second PIP related to monitoring and controlling management with the use of two or more atypical antipsychotics. While it is evident that VA Premier analyzed Medallion II data to select this study topic, a PIP should focus on system-wide issues rather than provider compliance with clinical practice guidelines. Therefore, VA Premier received a recommendation related to this PIP to develop objective, clearly defined measurable indicators that measure changes in enrollee health, functional status or satisfaction or serve as valid proxy measures

Operational Systems Review Findings

The operational systems review reflects the performance of the Medallion II MCOs through assessment of a total of 146 elements, summarized below in the following section.

Improvement was seen by each Medallion II MCO in all areas when comparing the previous year's performance with 2005 results. Figures 2a and 2b reflect 2004 and 2005 comparison of overall results from the operational systems review findings.

Figure 2a. Overall Operational Systems Review Findings for 2004

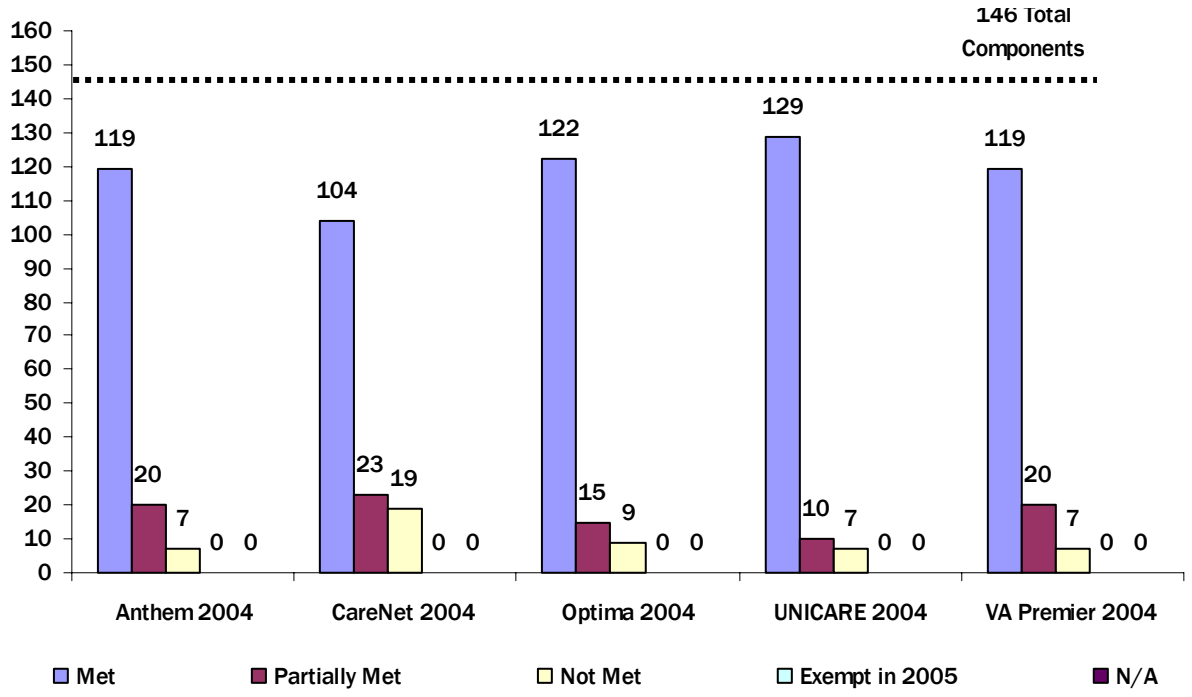
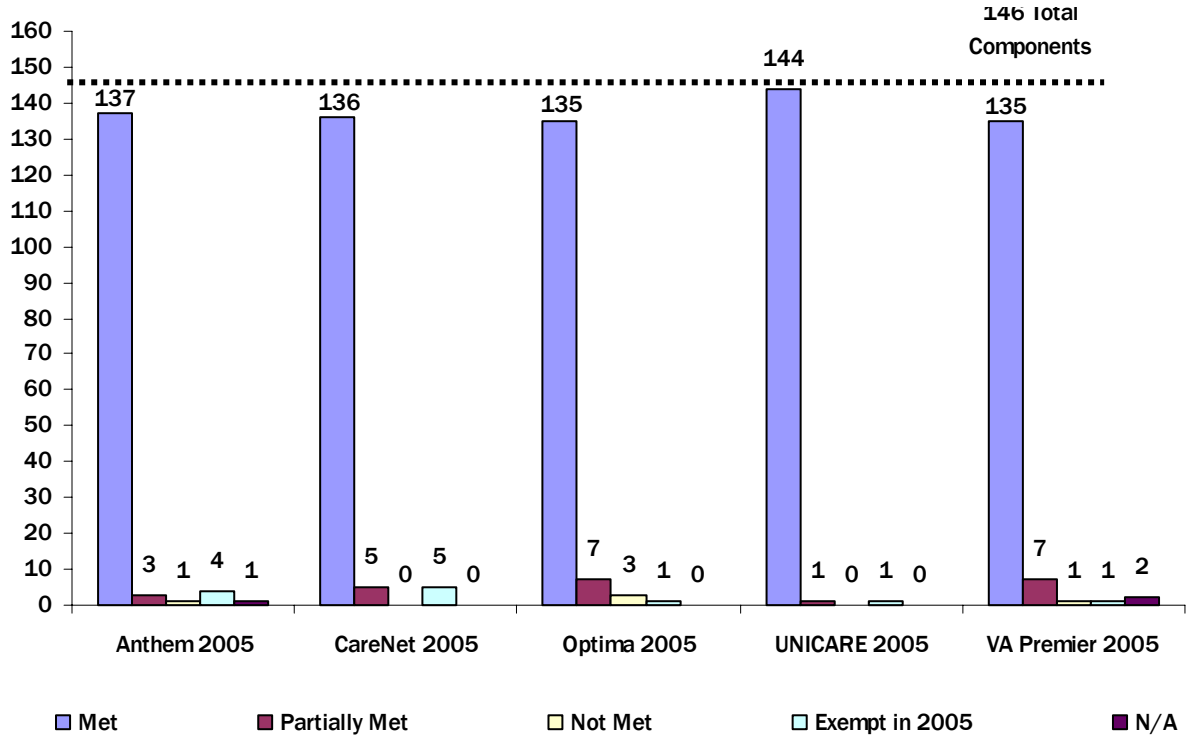


Figure 2b. Overall Operational Systems Review Findings for 2005



Within the operational systems review component of the quality review, the Medallion II MCOs were assessed in various areas to include the elements listed below. These elements pertain to this and last year's review to provide a complete evaluation of the Medallion II MCOs performance in the area of quality.

Enrollee Rights and Protections—Subpart C Regulations

- ER.1. Enrollee Rights and Protections-Staff/Provider
- ER.6. Advanced Directives

Quality Assessment and Performance Improvement—Subpart D Regulations

- QA3. 438.206 Availability of Services (b) (3)
- QA5. 438.206 (c) (2) Cultural Considerations
- QA6. 438.208 Coordination and Continuity of Care
- QA11. 438.210 (b) Coverage and Authorization of Services—Processing of Requests
- QA15. 438.214 (b) Provider Selection—Credentialing and Recredentialing Requirements
- QA16. 438. 214 (c) Provider Selection—Nondiscrimination
- QA17. 438.12 (a,b) Provider Discrimination Prohibited

- QA18. 438.214 (d) Provider Selection—Excluded Providers
- QA19. 438.56 (b) Provider Enrollment and Disenrollment—Requested by MCO
- QA20. 438.56 (c) Provider Enrollment and Disenrollment—Requested by Enrollee
- QA21. 438.228 Grievance Systems
- QA22. 438.230 Subcontractual Relationships and Delegation
- QA23. 438.236 (a,b) Practice Guidelines
- QA24. 438.236 (c) Dissemination of Practice Guidelines
- QA25. 438.236 (d) Application of Practice Guidelines
- QA26. 438.240 Quality Assessment and Performance Improvement Program
- QA27. 438.240 (b) (2) Basic Elements of Quality Assessment and Performance Improvement (QAPI) Program—Under/Over Utilization of Services
- QA28. 438.240 (b) (3) Basic Elements of QAPI Program—Special Health Care Needs
- QA29. 438.242 Health/Management Information Systems

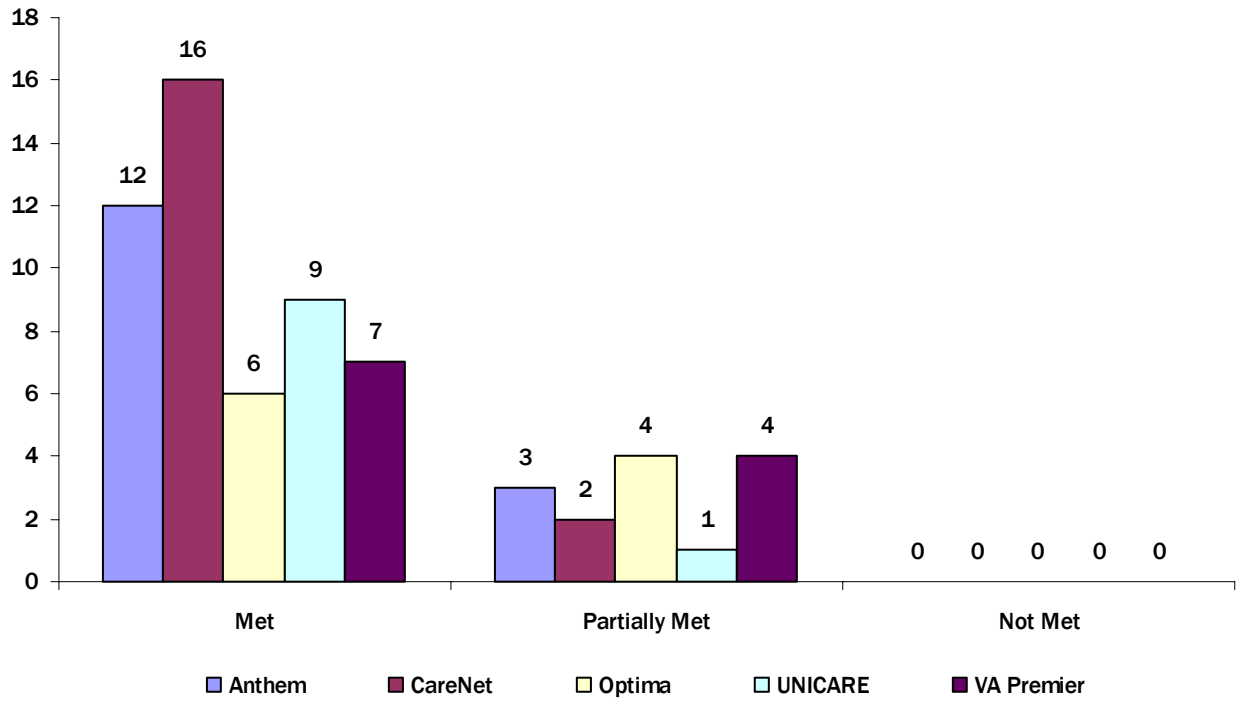
Grievance Systems—Subpart F Regulations

- GS1. 438.402 (a,b) Grievance System
- GS2. 438.402 (3) Filing Requirements—Procedures
- GS3. 438.404 Notice of Action
- GS4. 438.404 (b) Content of Notice of Action
- GS5. 438.416 Record-Keeping and Reporting Requirements
- GS6. 438.406 Handling of Grievances and Appeals—Special Requirements for Appeals

The following section provides a detailed assessment of 2005 performance as it relates to the operational systems review findings for quality. This year's desk review focused on elements found to be deficient from last year, which is reflected in the overall results. Specific MCO results evidenced that all five MCOs performed well in the areas of enrollee rights and protections- staff/provider. The majority of the MCOs performed well in the areas of availability of services, basic elements of QAPI program and handling of grievances and appeals. The Medallion II MCOs overall displayed strength in these areas of quality with no unmet elements remaining after the review. Most of the improvement areas were addressed within 12 months of the audit review period. However, all of the MCOs had various elements which were partially met after this review. These partially met elements should remain a primary focus for each MCO to correct before the next EQRO review. The majority of MCOs were found to have opportunities for improvement in the area of advanced directives. The Medallion II MCOs effectively implemented the recommendations for quality improvement and corrected each area by this review period. The rapid correction of the previous review's opportunities for improvement is evidence that all of the MCOs have a strong oversight process and commitment to improving care and services to its members.

Figure 3 displays the results for the Medallion II MCOs pertaining to the assessed areas for quality.

Figure 3. Operational Systems Review Findings for Quality 2004



Summary of Quality

The Medallion II MCOs demonstrate a quality-focused approach in administering care and services to members. The MCOs exhibit an integrated approach to working with members, practitioners, providers, and internal health plan departments to improve overall health care quality and services. The MCOs also focus resources toward evaluating the interventions that provide the most benefit toward improvement needs. Opportunities for improvement are evident in the area of quality pertaining to HEDIS measures and reassessed elements from the operational systems review.

Access at a Glance

Access to care and services historically has been a challenge for Medicaid recipients enrolled in fee-for-service programs. Access is an essential component of a quality-driven system of care. The intent of the Medallion II program is to improve access to care. One of DMAS's major goals in securing approval of the 1915(b) Medicaid waiver application was to develop managed care delivery systems that would remove existing

barriers for Medicaid recipients, thereby improving their overall health status, increasing their quality of life, and reducing costly health expenditures related to a fragmented system of care. The findings with regard to access are discussed in the following sections.

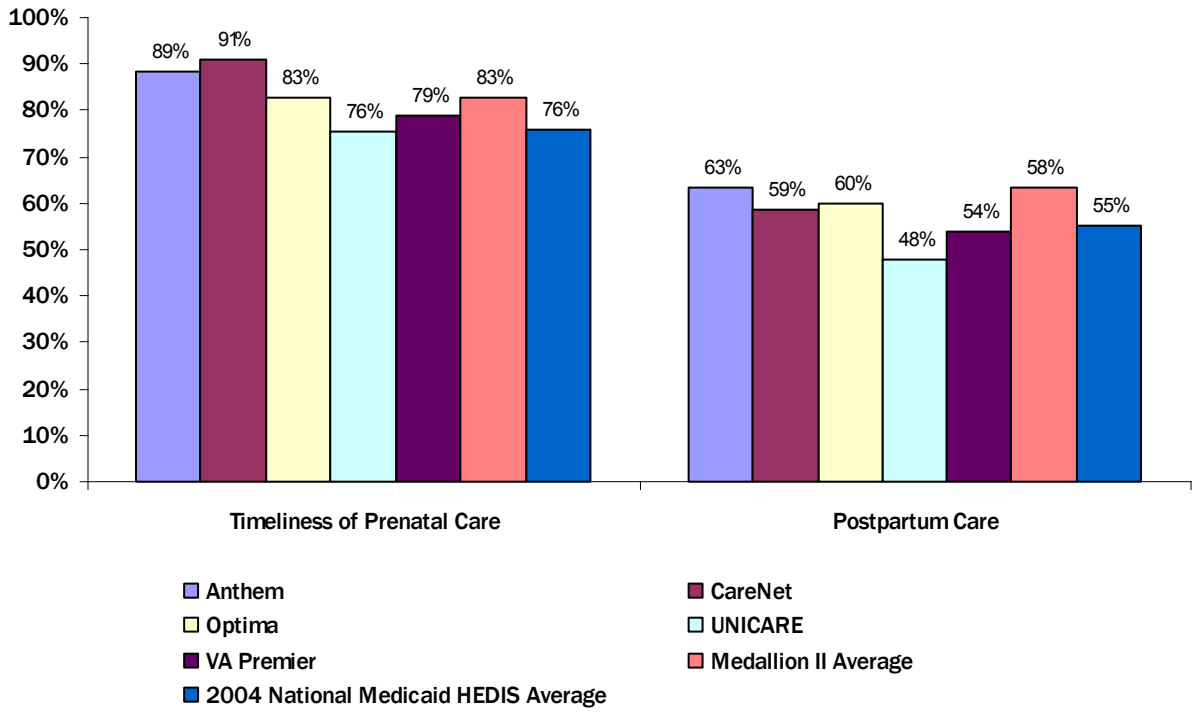
HEDIS

From a HEDIS perspective, access and availability of care are addressed through the Prenatal and Postpartum Care HEDIS measure. Two rates are calculated for this measure:

- Timeliness of Prenatal Care[6]
- Postpartum Check-up Following Delivery[7]

Figure 4 on the following page provides the HEDIS measure results for the Medallion II MCOs pertaining to access.

Figure 4. 2005 HEDIS Access Measure Results for the Medallion II MCOs



[6] Timeliness of Prenatal Care measures the percentage of women in the denominator who received a prenatal care visit in the first trimester or within 42 days of enrollment.
[7] Postpartum Check-up Following Delivery measures the percentage of women in the denominator who had a postpartum visit on or between 21 days and 56 days following delivery.

CareNet scored above all other MCOs for the "Timeliness of Prenatal Care" rate at 91.1%, which exceeded the Medallion II average and the National Medicaid HEDIS average. UNICARE and VA Premier scored the lowest in this rate; however the MCOs either almost met or exceeded the National Medicaid HEDIS average. For the "Postpartum Care" rate, Anthem exceeded all of the MCOs with a rate of 63.3%, which met the Medallion II average (63.3%) and exceeded the National Medicaid HEDIS average. However, UNICARE and VA Premier scored the lowest rates in this area, which fell below both the Medallion II average and the National Medicaid HEDIS average. Overall, the Prenatal and Postpartum Care HEDIS measure was a strength for most of the MCOs.

Performance Improvement Projects

The PIPs implemented by the Medallion II MCOs focused on improvement of clinical indicators. However, within the barrier analyses for each project, potential access barriers also were examined. The following section provides an MCO level specific summary of access issues identified by the Medallion II MCOs through implementation of the PIPs related to asthma.

The identification of access barriers was found in Anthem's PIP aimed at improving the use of appropriate medications for people with asthma. Barriers were identified related to member, caregiver, and physician lack of awareness about the Asthma Disease Management Program, which affected member access to the program. Interventions were targeted to successfully improve access to the program.

CareNet's PIP aimed at increasing the number of members with asthma receiving care according to the guidelines, identified access barriers related to member and provider lack of awareness of benefits related to a chronic disease, such as asthma. In 2004, identification and outreach to non-compliant enrollees and targeted case management services for identified high-risk enrollees was implemented to improve member outcomes.

Optima's PIPs aimed at improving overall treatment and utilization patterns for the Sentara Health Management asthma population also identified access barriers. Barriers were identified related to member and provider lack of awareness of the benefit of consistent focus on asthma as a chronic disease. In 2004, interventions focused on both patient and provider education and effective communication strategies, as well as streamlining the referral process for providing case management services to high risk enrollees by contracting with a statewide agency to improve member outcomes.

The identification of access barriers, such as member and provider lack of awareness of the need for consistent focus on a chronic disease such as asthma, was also found in UNICARE's PIP aimed at improving asthma control. Interventions focused on both enrollee and provider education related to appropriate asthma management and treatment as well as physician notification of the asthma risk level of their UNICARE patients.

Virginia Premier's PIP aimed at quality control in asthma management identified barriers related to member, caregiver, and physician lack of awareness about the Asthma Disease Management Program, which affected member access to the program. Interventions were targeted to successfully improve access to the program. In 2004, interventions focused on both patient and provider education and effective communication strategies to improve member outcomes.

Operational Systems Review Findings

Delmarva's operational systems review of the Medallion II MCOs showed that elements pertaining to access in the following review requirement categories were examined. These elements pertain to this and last year's review to provide a complete evaluation of the Medallion II MCOs performance in the area of access.

Enrollee Rights and Protections—Subpart C Regulations

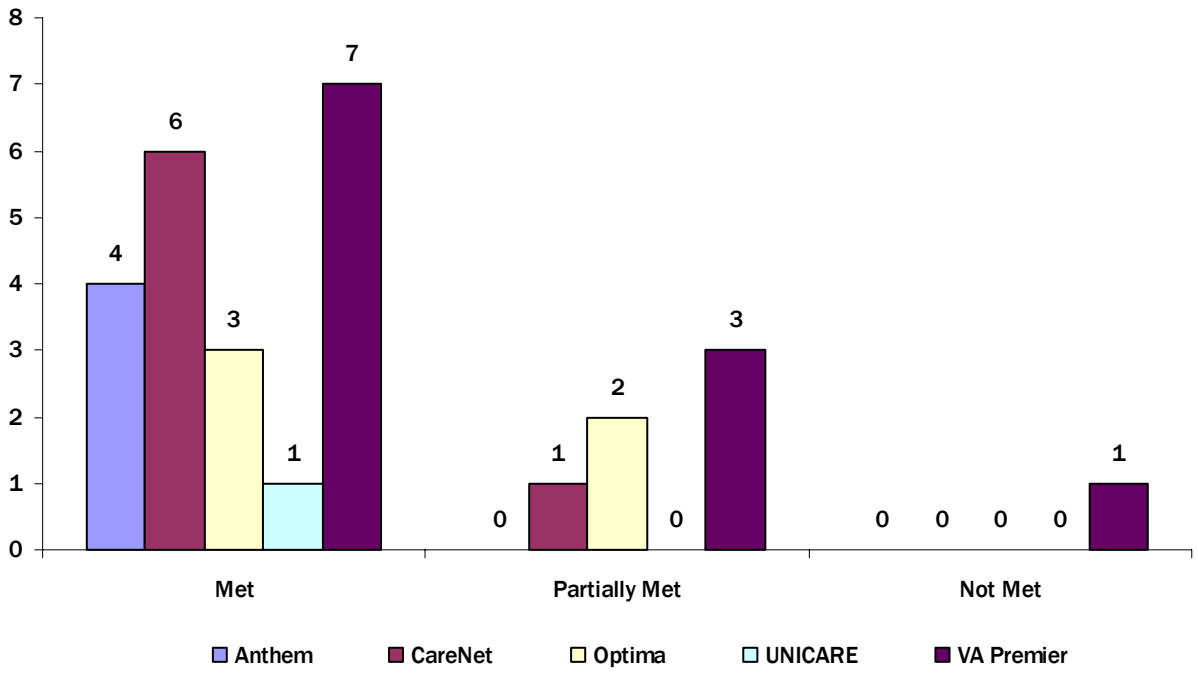
- ER3. Information and Language Requirements (438.10)
- ER5. Emergency and Post-Stabilization Services (438.114, 422.113c)
- ER7. Rehabilitation Act, ADA

Quality Assessment and Performance Improvement—Subpart D Regulations

- QA1. 438.206 Availability of Services (b)
- QA2. 438.206 Availability of Services (b) (2)
- QA4. 438.206 Availability of Services (b) (4)
- QA7. 438.208 (c) 103 Additional Services for Enrollees with Special Health Care Needs
- QA8. 438.208 (c) (4) Direct Access to Specialists
- QA10. 438.208 (e) Primary Care and Coordination Program

Figure 5 displays the results for the Medallion II MCOs pertaining to the assessed areas for access.

Figure 5. Operational Systems Review Findings for Access 2004



Through desk reviews conducted for the Medallion II MCOs this year, Delmarva comprehensively reassessed elements from the previous year's review that were deficient and found that most if not all elements have improved to met status. All five MCOs performed well in the area emergency and post-stabilization services. The majority of MCOs performed well in the area of information and language requirements. However, CareNet, Optima and VA Premier have elements that remain partially met after this review and should be a primary focus for correction prior to the next review. VA Premier had one element that remained unmet after this review. The majority of MCOs were found to have opportunities for improvement in the area of information and language requirements. Although the area of information and language requirements was a strength for the MCOs, there were elements within this area found to be partially met or unmet. After completion of the review, Delmarva conducted an assessment of the MCO's corrective action process. The Medallion II MCOs effectively implemented recommendations related to elements found to be partially met or not met and corrected nearly every identified opportunity within 12 months of the report findings.

Summary of Access

Overall, access is an area of strength for the Medallion II MCOs and supports each of the health plan's intent as a quality-driven system of care. Combining all the data sources used to assess access; the MCOs addressed many of the areas where they showed vulnerability and corrected identified access issues, furthering the MCO

in its goal to implement a managed care delivery system that addresses existing barriers for Medicaid recipients.

Timeliness at a Glance

Access to necessary health care and related services alone is insufficient in advancing the health status of Medallion II recipients. Equally important is the timely delivery of those services, which is an additional goal established by DMAS for the systems of care that serve Medallion II recipients. The findings related to timeliness are discussed in the sections that follow.

HEDIS

Timeliness of care was investigated in the results of the following HEDIS measures:

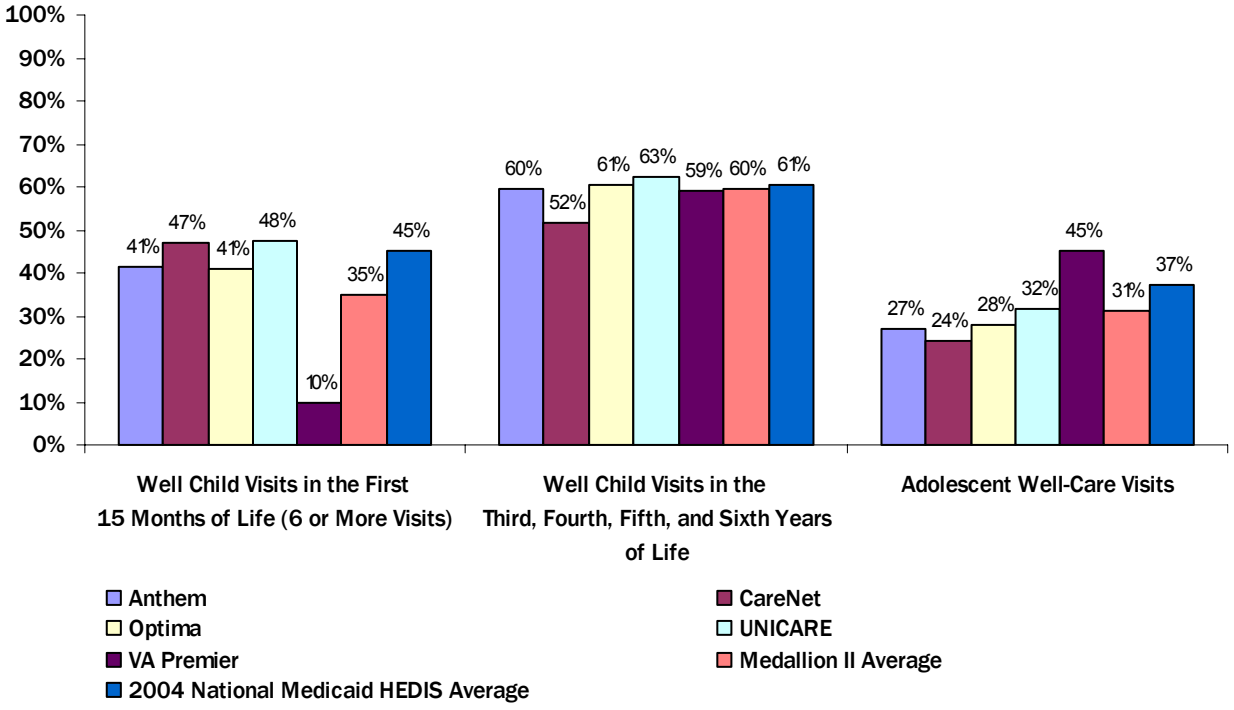
- Well-Child Visits in the First 15 Months of Life[8]
- Well-Child Visits in the Third, Fourth, Fifth, and Sixth Year of Life[9]
- Adolescent Well-Care Visits[10]

All Medallion II MCOs were required to submit these measures.

Figure 6 provides the HEDIS measure results for the Medallion II MCOs pertaining to timeliness.

[8] Well-Child Visits in the First 15 Months of Life measures the percentage of enrolled members who turned 15 months old during the measurement year, who were continuously enrolled in the Plan from 31 days of age, and who received six or more well child visits with a primary care practitioner during their first 15 months of life.
[9] Well-Child Visits in the Third, Fourth, Fifth, and Sixth Year of Life measures the percentage of members who were three, four, five or, six years old during the measurement year, who were continuously enrolled during the measurement year, and who received one or more well-child visit(s) with a primary care practitioner during the measurement year.
[10] Adolescent Well-Care Visits measures the percentage of enrolled members who were age 12 through 21years during the measurement year who were continuously enrolled during the measurement year and who had at least one comprehensive well-care visit with a primary care practitioner or an OB/GYN practitioner during the measurement year.

Figure 6. 2005 HEDIS Timeliness Measure Results for the Medallion II MCOs



UNICARE scored the highest rate for the "Well Child Visits in the First 15 Months of Life" measure at 47.5%, which exceeded the Medallion II average as well as the National Medicaid HEDIS average. CareNet's rate for this measure exceeded almost all comparison averages at 47.1% and was the second highest MCO rate followed closely by UNICARE. VA Premier had the lowest rate at 9.9%, which fell below the Medallion II average and the National Medicaid HEDIS average. Three MCOs scored below the National Medicaid HEDIS average, which displays that there is opportunity for improvement. For the "Well Child Visits in the Third, Fourth, Fifth and Sixth Years of Life" measure, UNICARE had the highest rate at 62.5%, which exceeded both the Medallion II average and the National HEDIS Medicaid average. CareNet had the lowest score in this measure at 51.5%. Three MCOs scored below the Medallion II average and the National Medicaid HEDIS average, which indicates a weakness in this area. This finding should be addressed and these MCOs should consider developing PIPs and/or collaborative PIPs for future improvements. VA Premier exceeded all other MCOs as well as the comparison averages in the "Adolescent Well-Care Visits" measure with a rate of 45.2%. Three MCOs rated below the Medallion II average and the National Medicaid HEDIS average. This finding indicates a need for improvement in this area and should be considered in future PIP development.

Performance Improvement Projects

Timeliness was a focal area of attention in the Medallion II MCO PIPs. Member-focused efforts consisted of assuring that members were educated about the key features of asthma disease management. Provider-focused efforts aimed at establishing partnerships with the practitioner network to address education about asthma in the member population. Barriers related to timeliness issues focus on the lack of timely delivery of care or services due to missed opportunities.

Issues related to timeliness of services may very likely be affected by access. The Medallion II MCO PIPs, aimed at improving important aspects related to asthma are HEDIS-related and focuses on services received (access) as well as on the time frame in which the services were provided (timeliness).

Operational Systems Review Findings

Delmarva's operational systems review of the Medallion II MCOs showed that elements pertaining to timeliness in the following review requirement categories were assessed. These elements pertain to this and last year's review to provide a complete evaluation of the Medallion II MCOs performance in the area of timeliness.

Enrollee Rights and Protections—Subpart C Regulations

- ER2. Written Statement Upon Enrollment
- ER4. 42 C.F.R. 431, Subpart F, and the Code of Virginia, Title 2.1, Chapter 26, (Privacy and Protection Act of 1976) and the Health Insurance Portability and Accountability Act of 1996

Quality Assessment and Performance Improvement—Subpart D Regulations

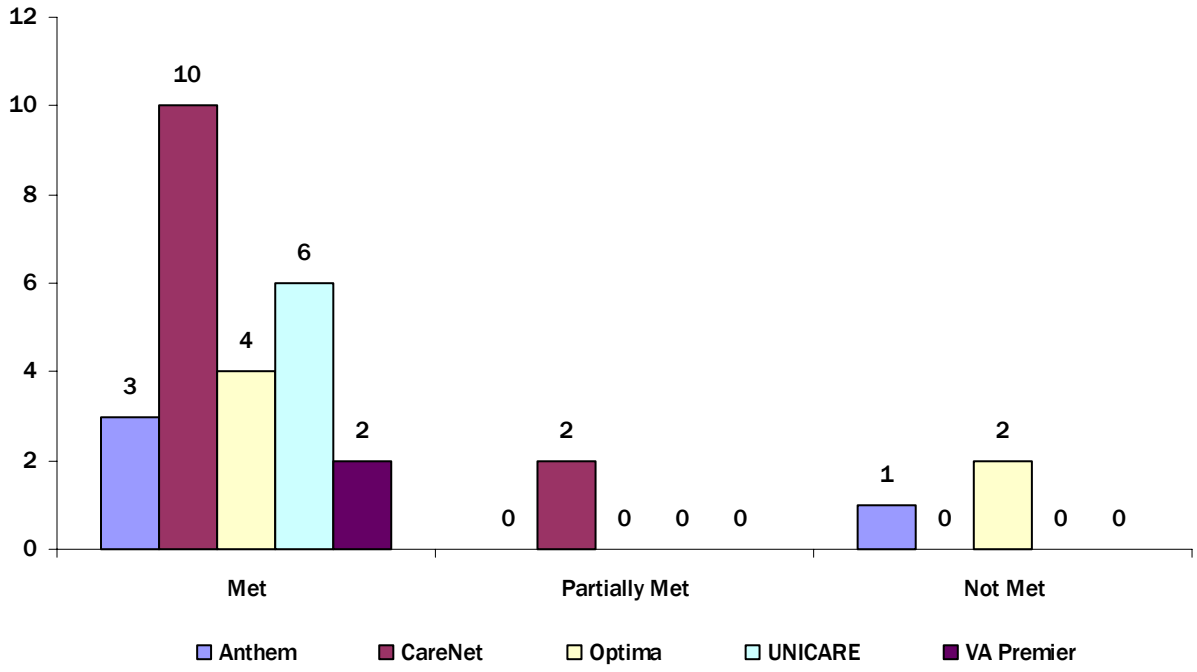
- QA9. 438.208 (d) (2) (ii-iii) Referrals and Treatment Plans
- QA11. 438.210 (b) Coverage and Authorization of Services—Processing of Requests
- QA12. 438.210 (c) Coverage and Authorization of Services—Notice of Adverse Action
- QA13. 438.210 (d) (1) Timeframe for Decisions—Standard Authorization of Decisions
- QA14. 438.210 (d) (2) Timeframe for Decisions—Expedited Authorization Decisions

Grievance Systems—Subpart F Regulations

- GS7. 438.408 Resolution and Notification: Grievances and Appeals—Standard Resolution
- GS8. 438.408 Resolution and Notification: Grievances and Appeals—Expedited Resolution
- GS9. 438.408 (b-d) Resolution and Notification
- GS10. 438.408 (c) Requirements for State Fair Hearings
- GS11. 438.410 Expedited Resolution of Appeals, GS. 438.424 Effectuation of Reversed Appeal Resolutions

Figure 7 displays the results for the Medallion II MCOs pertaining to the assessed areas for timeliness.

Figure 7. Operational Systems Review Findings for Timeliness 2004



Delmarva comprehensively reassessed each MCO in this year's desk review and made recommendations for improvement related to various areas that displayed deficiencies. The majority of MCOs performed well in the areas of privacy protection and the Health Insurance Portability and Accountability Act of 1996, resolution and notification, and requirements for state fair hearings. CareNet has elements that remain partially met after this review and should be a primary focus for correction prior to the next review. Anthem and Optima had elements that remained unmet after this review. The MCOs corrected most of the access related deficiencies within twelve months, which displays their commitment to continuous improvement.

Summary for Timeliness

The Medallion II MCOs demonstrate an awareness of the importance of timeliness in the delivery of overall quality care and service through the identification of timeliness barriers, which often are identified as access issues. The MCOs are encouraged to continue to address opportunities for improvement in the area of timeliness.

Overall Strengths of the Medallion II MCOs

Quality:

- Each MCOs management staff is committed to quality improvement as evidenced by the rapid response and resolution of most the deficiencies cited during the operational systems review.
- The MCOs met the majority of the reassessed quality elements for the operational systems review and had no unmet elements after the review.
- MCOs information system capabilities for performance measures to include data capture, general information systems, centralized processing of data, provider data, data sharing, and eligibility programming.
- MCOs reporting methods for performance measures include staff experience, communication, documentation, and a team approach.
- A greater understanding of the quality process, as it relates to PIPs, was clearly evidenced as all MCOs realized improvement in asthma indicators measured.

Access:

- The majority of Medallion II MCOs demonstrate better access to prenatal care and postpartum follow-up than the Medallion II program in aggregate and the Medicaid program nationally.
- The MCOs met most of the reassessed access elements for the operational systems review.
- Recognition by each MCO that quality of care issues are impacted by access barriers.

Timeliness:

- The MCOs met the majority of the reassessed timeliness elements for the operational systems review.
- Each MCOs partnership with the practitioner network to address education about asthma in the member population.

Recommendations

This section offers DMAS a set of recommendations to build upon identified strengths and to address the areas of opportunity within the Medallion II program. These recommendations draw from the findings of those data sources individually and in the aggregate. Delmarva's recommendations for the Medallion II program are as follows:

- Continue efforts to increase data completeness.
- Continue using successful performance measure reporting tactics.
- Perform general quality improvement and teamwork training, as these skills likely will lead to efficiencies in performance measure reporting.
- Improve documentation of processes and methods to assist during staff changes.
- Develop standardized provider data entry protocols and methods to identify locations of member medical records in order to reduce the need for multiple unsuccessful medical record chases.

- Develop or revise policies and procedures of the elements found to be deficient and/or make appropriate improvements in order for the deficiencies to be met in next year's EQRO review.
- Perform periodic monitoring within the areas identified in the operational systems review as deficient to make certain that the actions undertaken to correct the issues remain effective.
- Perform further investigation into low-rated measures identified by HEDIS and consider developing mandatory PIPs and/or collaborative PIPs based on HEDIS results.
- Assess the disparities in quality of care and services among differing ethnic populations within the managed care membership; an understanding of this phenomenon will enable focused resource allocation.
- Perform root cause analyses for project interventions that do not improve performance. This activity will enable the MCOs to better identify barriers to change and more effectively allocate resources to achieve systemic improvements.
- Consider developing Minimum Performance Levels (MPLs) to hold MCOs to a standard and to achieve improvements in HEDIS rates and PIPs.

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Centers for Medicare and Medicaid Services. (2002, June). *Final rule: Medicaid managed care; 42 CFR part 400, et seq. Subpart D—Quality assessment and performance improvement.* Retrieved December 9, 2004, from http://www.cms.hhs.gov/medicaid/managedcare/f4289.pdf

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Institute of Medicine, Committee on the National Quality Report on Health Care Delivery, Board on Health Care Services. (2001). *Envisioning the National Health Care Quality Report.* Retrieved February 24, 2005, from http://www.nap.edu/html/envisioning/ch2.htm

National Committee for Quality Assurance. (2003). *Standards and guidelines for the accreditation of MCOs.*